silver. This, however, did not leave the country with a fixed quantity of silver rupees, the 1,180 millions outstanding, as the medium of exchange. Although private persons could no longer present silver to be coined at the mints, the Government agreed to coin silver, whenever it was wanted, but in exchange for gold, giving a silver rupee for each 1s. 4d. of gold. That is, a sovereign would exchange for 15 rupees of silver (16d. × 15 = 240 d. = 20 sh. = £1). The purpose of this, therefore, is not so much the establishment of a single gold standard, as of fixing the value of the silver rupee in terms of gold, and trying to keep the rupee at that value (without taking away its full legal tender power) by limiting its quantity. In short, the new measure puts India much in the position the United States would be in, after the repeal of the Sherman Act, in its attempt to keep at par in gold a large quantity of silver by practically following the principles which regulate subsidiary, or token, coinage: (1) limitation of quantity; and (2) redemption, by making silver practically interchangeable with gold.

The English Government, having adopted the recommendations of the Commission, asked the Viceroy of India for his opinion by telegraph. The latter telegraphed the acceptance of these conclusions by the Indian Government, June 15, 1893, urging haste. June 20, the Secretary of State for India, by telegraph, authorized action. The Indian Legislative Council, at Simla, met June 26, and voted the necessary changes in the Indian Coinage Act of 1870 and the Paper Currency Act of 1882. The same day this action was made known simultaneously in India and in England.

J. LAURENCE LAUGHLIN.

NO SILVER GRIEVANCE EXISTS.

IT is not entirely clear whether Mr. J. P. Dunn, in the "Notes" of the last number of the JOURNAL is the more interested in confuting Senator Sherman and General Walker, or in fortifying the myth of the "surreptitious" demonetization of silver. But of the two the latter is the only one worth discussing.

That a person as well informed about the debates in Congress between 1871 and 1873 as Mr. Dunn appears to be should still labor under the impression that Congress was led to do something about silver that it did not intend shows the wonderful capacity of the

human mind to absorb the information it desires and reject that which it does not wish. "I challenge any person," says Mr. Dunn, "to cite a published contemporary statement in the Government records that this bill, No. 2,934, which was passed, dropped the silver dollar."

Unless time is to be wasted over mere quibbling, the silver dollar under discussion is the standard silver dollar, the unit of value, an unlimited legal tender. This dollar was explicitly abolished by all the pending propositions. These propositions were three: (1) to drop the silver dollar entirely, as in the bill drafted by Mr. Knox, and in the bills reported to the Senate by Mr. Sherman and to the House by Mr. Kelley; (2) To make a light weight dollar, the exact equivalent of two half dollars, and a legal tender for amounts not exceeding $5, as in the two Hooper bills, one of which was debated by the House and the other substituted for it and passed; and (3) to make a heavy dollar, for use only in Asiatic trade, and also to be a legal tender for amounts not exceeding $5. This was printed in House bill 2,934, Dec. 16, 1872; January 7, 1873, and January 21, 1873, as reported to the Senate, and this became the law.

Mr. Dunn seeks to make out that something important occurred in the secrecy of the conference committee the full significance of which was not understood by Congress. The conference committee "reported to the Senate on February 6 and to the House on February 7. The reports are identical. There is not a word in either to indicate that the standard dollar had been dropped." But each House had voted by itself to drop the standard dollar. There being no division between the two Houses on the main proposition there was no occasion for the conference report to refer to it. The two Houses differed only as to the substitute for it. The House had voted for a dollar that should have no more proportionate value, and no more of the legal tender quality than a half dollar or a dime. The Senate, at the instance of California, had voted for a larger dollar, more likely to displace the Mexican dollar in Asiatic trade, but which should also be a legal tender for no more than $5. Whether the dollar weighed 384 grains or 420 grains, if it were a legal tender for only $5 it was demonetized; it was abolished as a standard. Mr. Dunn says the conference report did contain the fateful words, "and no deposit of silver for other coinage would be received!" He says, "Presumably the members did not catch this significant clause buried in the body of the report." He is under the impression that it was this incidental and unnoticed provision that demonetized silver.

This idea is ridiculous, in view of the fact that the House had fully discussed the abolition of the standard silver dollar, and the adoption of gold as the legal standard, as it had long been the commercial standard.

The House debated bill No. 1,427; it then adopted as a substitute and passed bill No. 2,934. Mr. Dunn wishes it understood that there was some hocus pocus in this substitution. I have not bill 2,934 before me, but both bills were Mr. Hooper's, and on August 6, 1876, Mr. Hewitt, citing these bills, said that the following section was printed in House bill No. 2,934, May 29, 1872; House bill 1,427, Feb. 9, 1872, and Feb. 13, 1872, Forty-second Congress, second session, as reported by Mr. Hooper:

Section 16. That the silver coins of the United States shall be a dollar, a half dollar, or fifty-cent piece, a quarter dollar, or twenty-five cent piece, and a dime, or ten-cent piece, and the weight of the dollar shall be 384 grains; the half dollar, quarter dollar and the dime shall be respectively one-half, one-quarter, and one-tenth of the weight of said dollar, *which coins shall be a legal tender at their denominational value for any amount not exceeding $5 in any one payment.*

This section was in both bills then, and it abolished the standard silver dollar and substituted a token silver dollar, legal tender only for small sums, and the debate in the House shows that this was perfectly understood by the friends and the opponents of the bill.

Mr. Dunn shows that he is aware that the bill was debated in the House April 9, 1872, but he gives evidence of very little acquaintance with that debate, although he quotes from Mr. Hooper's speech. I regret that there is not space here to quote at length from that debate. No person can read that debate and say that the House demonetized silver unwittingly, or that New York interests procured the passage of the bill.

Mr. Hooper said in the course of his detailed explanation of the bill, "Section 14 declares what the gold coins shall be, and their respective weights. . . . . In addition it declares the gold dollar of 25.8 grains of standard gold to be the unit of value, gold practically having been in this country for many years the standard or measure of value, as it is legally in Great Britain and most of the European countries. The silver dollar, which by law is now the legally declared unit of value, does not bear a correct relative proportion to the gold dollar. Being worth intrinsically about one dollar and three cents in gold, it can not circulate concurrently with the gold coins. . . . . The

committee, after careful consideration, concluded that 25.8 grains of standard gold, constituting the gold dollar, should be declared the money unit, or metallic representative of the dollar of account."

Mr. Hooper was in charge of the bill, and thus did the "gold bug conspirators" conceal their demoniac purpose. Mr. Dunn himself quotes that portion of Mr. Hooper's speech in which he says of the reduction in the weight of the silver dollar, "thus making it a subsidiary coin in harmony with the silver coins of less denomination to secure its concurrent circulation with them."

Mr. Hooper also said of the standard silver dollar: "It does not circulate now in commercial transactions with any country, and the convenience of those manufacturers in this respect [melting up the silver dollars for use in the arts] can better be met by supplying small stamped bars of the same standard, avoiding the useless expense of coining the dollar for that purpose."

Was the standard silver dollar abolished furtively, or surreptitiously, or unwittingly, or in the execution of a conspiracy?

Another member of the committee, Mr. Stoughton, followed, saying, "Aside from the $3 gold piece . . . . . the only change in the present law is in more clearly specifying the gold dollar as the unit of value. This was probably the intention, and perhaps the effect of the Act of March 3, 1849 [authorizing the coinage of gold dollars] but it ought not to be left to inference or implication. . . . . . Gold is practically the standard of value among all civilized nations and the time has come in this country when the gold dollar should be distinctly declared to be the coin representative of the money unit."

Was there any effort here to conceal the demonetization of silver and allow a conference committee to assassinate the standard dollar in secret? Mr. Stoughton continued, "The silver coins provided for are the dollar, 384 grains troy, etc. . . . . . and they are made a legal tender for all sums not exceeding $5 at any one payment."

New York, it is said, procured the demonetization of silver. Two New York representatives, Mr. Potter and Mr. Brooks, spoke in opposition to the bill, and Mr. Potter said, "This bill provides for the making of changes in the legal-tender coin of the country, and for substituting as legal-tender coin of only one metal instead, as heretofore, of two . . . . . Why should we legislate on this now when we are not using either of these metals as a circulating medium? The bill provides also for a change in respect of the weight and value of the silver dollar, which I think is a subject which, when we come to require

legislation about it at all, will demand at our hands very serious consideration, and which, as we are not using such coins for circulation now, seems at this time to be an unnecessary subject about which to legislate."

Mr. Kelley, the chairman of the committee, replied to Mr. Potter, and accused him of opposing the bill in the interest of New York bullion brokers who were making money out of the existing law. He complained that New York brokers were lobbying against the law, and that if existing evils were not corrected before specie payments were resumed the pecuniary interest at stake would be so great that the law couldn't be changed. He said : "One silver bullion dealer in New York, during the last Congress, admitted to the gentleman who is now acting as chairman of the committee in charge of the bill [Mr. Hooper] that under one defect in existing laws he was making at the cost of the government, from $75,000 to $100,000 a year. . . . . . Now it so happens that a constituent of the gentleman from New York has been taking advantage of that ruling, and deposited silver to be made into half dollars and other silver coins ; and for every $2 worth of silver deposited by him he gets four half dollars and one ten cent piece, or the equivalent thereof. . . . . . It has become impossible to retain an American silver dollar in this country except in collections of curiosities. They would, if coined in considerable numbers, be a source of enormous profit to the silver bullion dealers of New York."

In view of this debate will any one pretend that the demonetization of silver was furtive, surreptitious, or accomplished by a conference committee without the knowledge of Congress? In view of these speeches by Mr. Potter and Mr. Kelley will any one pretend that New York procured the passage of the bill? And finally, in view of the fact that the law substituted a trade dollar, which it was hoped in California would displace the Mexican dollar in Asiatic commerce, for a standard dollar which Mr. Kelley said could be kept in this country only in collections of curiosities, and which Mr. Hooper said, "does not circulate now in commercial transactions with any country," will any one pretend that the abolition of the standard dollar was designed to reduce the employment of silver as money?

As well might the Tories of our Revolution have pretended that when the Declaration of Independence was adopted it wasn't generally understood that it meant separation from Great Britain. The silver men have no grievance except an imaginary one.

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